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Washington State Gambling Commission ATTN: Rules Coordinator Post Office Box 42400 Olympia, Washington 98504-2400

I am proposing a rule change to existing WAC 230-30-033 to have (3)(iii) Carry-over jackpots removed from this WAC. I believe Carry-over jackpots should be allowed with an event pull-tab series as long as they are in accordance with WAC 230-30-045.

Non profit organizations are allowed to use Carry-over jackpots now at their pull-tab counters, but not in conjunction with an event pull-tab series. I believe if we allowed them to utilize this style of game it would accelerate the play of event style games which would help the non-profit organizations.

Roger Wendland

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Sales Representative

Bonanza Press

W·I·N²: What Is Needed, When It's Needed™



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)

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GAMELING COMMISSION COMM & LEGAL DEPT

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request. To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437. Please complete the following: PETITIONER'S NAME (PLEASE PRINT) TELEPHONE NUMBER (INCLUDE AREA CODE) KOLER WENDLAND PO BOX NUMBER ZIP CODE WOODINVILLE If unknown, call (360) 753-7470 for mailing information Please submit completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days. Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed. 1. NEW: I am requesting that a new WAC be developed I believe a new rule should be developed. The subject of this rule is: The rule will affect the following people: The need for the rule is 2. AMEND: I am requesting a change to existing WAC 230-30-033 ☐ 3. REPEAL: I am requesting existing WAC be removed I believe this rule should be changed or repealed because (check one or more): ☐ It does not do what it was intended to do. ☐ It imposes unreasonable costs. ☐ It is applied differently to public and private parties. ☐ It is not clear. ☐ It is no longer needed. ☐ It is not authorized. The agency has no authority to make this rule. It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known 230-30-045 It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known

PETITIONER'S SUCHATURE

Other (please explain):

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TITLES >> WAC 230 TITLE >> WAC 230 - 30 CHAPTER

230-30-030 << 230-30-033 >> 230-30-034

WAC 230-30-033 Event pull-tab series -- Definitions -- Restrictions. Charitable or nonprofit bingo operators may use event pull-tab series under the following definitions and restrictions.

Definitions.

- (1) The following definitions apply to this section:
- (a) "Event pull-tab series" means a pull-tab series that includes a predetermined number of pull-tabs which allow a player to advance to an event round;
- (b) "Event round" means a secondary element of chance where the prizes are determined based on pull-tabs which match specific winning numbers drawn in a bingo game. The winning numbers must fall within numbers 1 through 75.

Manufacturing restrictions.

- (2) The following manufacturing restrictions apply to this section:
- (a) An event pull-tab series shall be manufactured meeting all standards of construction included in WAC 230-30-103;
- (b) An event pull-tab series may include instant winning prizes in addition to event round prizes;
 - (c) The flare shall clearly set out the following:
 - (i) All prizes available, in accordance with WAC 230-30-106;
- (ii) The number of chances available to advance to the event round;
 - (iii) How the event round winner is to be determined; and

(iv) The number of winning pull-tabs at the instant winner level, and the number of winning pull-tabs at the event round level.

Operational restrictions.

- (3)(a) The event pull-tab series must be played in a charitable or nonprofit bingo hall and must be played and completed within one bingo session;
- (b) Prior to putting an event pull-tab series into play, the operator must fully disclose, in plain view, when the event round (which involves the second element of chance) will take place;
- (c) Event pull-tab series must be available for purchase until immediately prior to the event round, unless the game has been completely sold out;
- (d) A licensed manager must be present at all times an event pulltab series is in play, including sales of tickets and selection of winners;
- (e) Event pull-tab tickets may be sold by floor workers (for example, from aprons). This method of selling pull-tabs only applies to an event pull-tab series. Detailed accounting records shall be maintained as prescribed by commission staff to track the event pull-tab tickets issued to each floor worker.
 - (f) The following are prohibited for use with event pull-tab series:
 - (i) Substitute flares;
 - (ii) Bonus pull-tab series; and
 - (iii) Carry-over jackpots.

[Statutory Authority: RCW $\underline{9.46.070}$. 02-06-007 (Order 410), § 230-30-033, filed 2/22/02, effective 7/1/02; 01-05-018 (Order 398), § 230-30-033, filed 2/9/01, effective 3/12/01.]

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TITLES >> WAC 230 TITLE >> WAC 230 - 30 CHAPTER

230-30-040 << 230-30-045 >> 230-30-050

WAC 230-30-045 Carry-over jackpot pull-tab series --Definitions -- Requirements. Operators may utilize pull-tab series that are specifically designed to include carry-over jackpots. The following definitions and requirements shall apply to these series:

Definitions.

- (1) The following definitions apply to pull-tab series with carry-over jackpots:
- (a) "Carry-over jackpot" means a prize pool that is composed of accumulated contribution amounts from pull-tab series which, if not History and Culture won, are carried over to other pull-tab series;
 - (b) "Contribution amount" means the amount from each series which is added to the carry-over jackpot; and
 - (c) "Guaranteed prizes" means all prizes available to be won, excluding the contribution amount or carry-over jackpot;

Prize payout requirements.

- (2) The following requirements apply to prize and prize payout calculations for carry-over jackpots:
- (a) Guaranteed prizes must be 60% or more of gross receipts available from the pull-tab series;
- (b) The contribution amount for each series may not be more than five hundred dollars;
- (c) The contribution amount and the method of play shall be determined by the manufacturer and disclosed on the flare;

Maximum jackpot amount.

(d) At no time shall an accumulated carry-over jackpot exceed two thousand dollars. If the carry-over jackpot is awarded, the sum of the advance-level prize and the carry-over jackpot prize shall not exceed two thousand dollars.

Jackpot must be carried over until won.

(e) Accumulated carry-over jackpots shall be carried over to subsequent series until won;

Jackpot must be paid out.

(f) The carry-over jackpot must be awarded. Failure to have sufficient funds available, or any attempt by an operator to utilize carry-over jackpots for personal or organizational purposes, shall be *prima facie* evidence of defrauding the players in violation of RCW 9.46.190;

Maximum prize amounts for series when jackpots are not awarded.

(g) If the jackpot is not awarded and is carried over to a new series, the sum of the advance-level prize and the consolation prize shall not exceed five hundred dollars;

Distribution of jackpots when a licensee ceases to operate.

- (3) If a licensee ceases to operate gambling activities due to a sale, closure, or failure to maintain a valid gambling license, the carry-over jackpot shall be:
- (a) Transferred to the new licensee, which has a valid gambling license. The new licensee shall operate the carry-over jackpot game until the prize is awarded;
 - (b) Awarded to a player by playing out the game prior to closure;
- (c) Distributed to the Washington state council on problem gambling; or

(d) Distributed to a charitable or nonprofit organization licensed by the Washington state gambling commission;

Bonus pull-tab series.

- (4) The following additional requirements apply to bonus pull-tab series with carry-over jackpots:
- (a) The odds of winning the carry-over jackpot shall not exceed one winner out of ten chances, or the probability of winning the carry-over jackpot shall be .10 or higher, at the jackpot level;
 - (b) There may only be one advance level on the flare;
- (c) There shall be at least one guaranteed chance to win the carryover jackpot;
- (d) All chances that are included on the flare shall be covered in a manner that prevents determination of the concealed numbers or symbols prior to being opened by the player. If perforated windows are used, the numbers or symbols must be covered by latex, foil, or other approved means; and
- (e) Standards for bonus pull-tab flares, as set forth in WAC <u>230-30-106</u>, shall apply;

Maximum number of tickets.

(5) The maximum ticket count for pull-tab series with carry-over jackpots shall be six thousand tickets;

Secondary win codes.

(6) The secondary win codes on pull-tab series with carry-over jackpots must not repeat within a three-year period;

Replacing series.

(7) Once it has been determined that no chances to win the carryover jackpot remain in a series and the jackpot has not been won, the series shall be removed from play and replaced with a new series within seven operating days;

Transferring a jackpot to another game.

(8) If a carry-over jackpot is not won prior to removing a series from play, it shall be carried over to a new series within one operating day from when the series was removed from play. The accrued contribution amounts from all previous series shall be added to the contribution amount from the new series, up to two thousand dollars;

Recording names of winners.

(9) For carry-over jackpots in the amount of six hundred dollars and over, the winner's full name, address, and Social Security number shall be recorded on a separate form for income tax purposes;

Retention requirements.

(10) Each pull-tab series contributing to a specific carry-over jackpot must be retained as one series. The retention period for these series shall be as required by WAC 230-30-072(3): Provided, That the retention period shall start on the last day of the month in which the carry-over jackpot was awarded rather than when the series was removed from play; and

Documenting the flow of jackpots.

(11) Operators are required to maintain a separate record documenting the flow of carry-over jackpots from one game to another in a format prescribed by the commission;

Recordkeeping on cash basis only - exception.

(12) For the purposes of monthly records set forth in WAC 230-08-010, all operators shall record carry-over jackpots on a cash basis. This means that carry-over jackpot contribution amounts shall not be recorded on monthly records until the prize is awarded: Provided, That punch board/pull-tab licensees who also hold a Class F or above bingo license may accrue carry-over jackpot contribution

amounts on their monthly records if the following conditions are met:

- (a) Prior approval is received from the director;
- (b) The contribution amounts, up to the point where the jackpot reaches the maximum, shall be recorded as prizes paid on the monthly records;
- (c) When the jackpot is awarded, only amounts not previously accrued, if any, shall be recorded as a prize paid;
- (d) No more than five carry-over jackpot series shall be in play at once: and
- (e) If the contribution amount is not deposited with the net receipts (required by WAC 230-12-020), a proper audit trail and adequate security over the funds must be maintained; and

Director approval required.

- (13) The director shall approve the following aspects of all pull-tab games with carry-over jackpots prior to sale in Washington state:
- (a) The design, payout, method of play, and flare for each pull-tab series;
- (b) The manufacturing process for the pull-tab series and flares; and
 - (c) The secondary win code system for the pull-tab series.

[Statutory Authority: RCW 9.46.070. 02-06-007 (Order 410), § 230-30-045, filed 2/22/02, effective 7/1/02; 98-24-089 (Order 368), § 230-30-045, filed 12/1/98, effective 1/1/99; 98-15-074 (Order 359), § 230-30-045, filed 7/15/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (2), (11) and (14). 97-19-083, § 230-30-045, filed 9/16/97, effective 1/1/98.]